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## **IOWA UTILITIES BOARD**

### **Energy Section**

Docket No.: TF-2012-0613 (RPU-2012-0001)

Utility: MidAmerican Energy Company

File Date/Due Date: 10/10/2012 – 11/9/2012

Memo Date: October 31, 2012

**TO:** The Board

**FROM:** Jim Kellenberg

**SUBJECT:** Submission of Revised Final Tariff Sheets

### **I. Background**

On October 8, 2012, the Iowa Utilities Board (Board) approved a settlement between MidAmerican Energy Company (MidAmerican) and other Parties in Docket No. RPU-2012-0001. Among the issues settled, the Parties agreed the approved revenue increases should be recovered through a single adjustment clause to enable MidAmerican to recover fixed amounts of \$38.7 million in 2012 and \$76 million in 2013. MidAmerican's currently effective interim tariff recovers the \$38.7 million for 2012 in two separate adjustment clauses, an environmental cost adjustment clause and a fuel adjustment clause.

MidAmerican filed revised final tariff sheets on October 10, 2012. The proposed tariff sheets are being revised to implement final rates for the revenue adjustment clause as described in MidAmerican's settlement filing made on July 27, 2012, and approved by the Board on October 8, 2012. The proposed tariff sheets include the addition of the revenue adjustment clause; elimination of the environmental cost adjustment and fuel adjustment clauses; and changes references from the two prior clauses implemented in temporary rates, to the single revenue adjustment clause approved in the settlement. These tariff changes do not increase revenue for MidAmerican over what was allowed in temporary rates and are in compliance with the approved settlement. The tariffs are proposed to become effective on November 9, 2012.

### **II. Legal Standards**

The settlement agreement filed in Docket No. RPU-2012-0001 on July 27, 2012, and approved by the Board on October 8, 2012, provides for a single revenue adjustment clause. Appendix B of the settlement

agreement included the revenue adjustment clause factors by customer class for 2012 and 2013. The proposed compliance tariff sheets were designed to implement the settlement agreement.

### **III. Analysis**

MidAmerican has proposed final tariff sheets eliminating references to the environmental cost adjustment and the fuel adjustment clauses. The revised sheets replace those references with a reference to the revenue adjustment clause. The revenue adjustment clause factors included in the revised final tariff sheets match the revenue adjustment clause factors that were provided in Appendix B of the settlement agreement. Staff has completed its review and recommends that TF-2012-0613 be approved.

No objections have been filed.

### **IV. Recommendation**

Issue the attached draft order approving TF-2012-0613 to become effective on November 9, 2012, subject to complaint or investigation.

/jk